

**GOVERNMENT OF INDIA
TOURISM AND CULTURE
LOK SABHA**

STARRED QUESTION NO:15
ANSWERED ON:18.11.2002
REVIVAL OF TOURISM INDUSTRY
DUKHA BHAGAT;RATNA SINGH

Will the Minister of TOURISM AND CULTURE be pleased to state:

- (a) whether the Government are aware that the Tourism Industry has been adversely affected in the recent past;
- (b) if so, the remedial steps proposed by the Government for revival of tourism industry; and
- (c) the details of funds earmarked for the purpose?

Answer

MINISTER OF TOURISM AND CULTURE (SHRI JAGMOHAN)

(a), (b) and (c): A Statement is laid on Table of Sabha.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION No.15 TO ANSWERED ON 18.11.2002 REGARDING REVIVAL OF TOURISM INDUSTRY

(a): Yes, Sir. After the Sept.11, 2001 incident at the World Trade Centre New York affected tourism worldwide and other security related incidents in and around India, there has been a decline of 14.6 per cent in the foreign tourist arrivals and 9.9 per cent in the foreign exchange earnings through tourism in India during the period Sept.2001 to Oct.2002 as compared to the same period of the previous years.

(b): The Central Government in its budget proposals 2002-03 has announced the following tax concessions for the revival of tourism industry:-

- Exemption of Air Travel Tax on air travel from and to North East.
- Service tax exemption given earlier to be extended for one more year. In cases of functions and banquets where the entire bill is for catering services, no service tax would be charged.
- Expenditure Tax on hotels henceforth to apply only to room charges.
- Threshold of Rs.2000 raised to Rs.3000 for levy of Expenditure Tax.
- Disparities between 80 HHC and 80 HHD of the income Tax Act removed.
- Deduction of 50% of profits earned by units setting up convention centres will be allowed for 5 years under section 80 IB of the Income Tax Act.
- Customs Duty on imported liquor reduced from 210% to 182%.
- TDS under Section 194 H of the Income Tax Act reduced from 10% to 5%.

Besides the above, the Department of Tourism has the following short-term and long-term plans to make tourism more attractive and thereby Indian Tourism industry a lucrative one:

- 1) Positioning and maintaining tourism development as a National priority activity;
- 2) Enhancing and maintaining the competitiveness of India as a tourism destination;
- 3) Improving India's existing tourism products and expanding these to meet new market requirements;
- 4) Creation of world class infrastructure;
- 5) Developing sustained and effective market plans and programmes;
- 6) Special thrust to rural and small segment tourism;
- 7) Attention to civilizational issues and issues pertaining to civic administration, good governance and also of social and cultural values. and
- 8) Development of tourism circuits and improvement of wayside amenities to facilitate growth in domestic tourism.

(c): An allocation of Rs.225 crores has been made for the Plan scheme in the year 2002-03 which is 50 per cent more than the allocation made for the previous year. The Planning Commission has indicated an allocation of Rs.2900 crores for the Tenth Plan as against Rs.595 crores actually provided during the Ninth Plan.